

AGENDA ITEM 9-F
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: FEBRUARY 20, 2009

**RE: AUTHORIZATION TO AMEND THE WASHINGTON-RICHMOND
CORRIDOR IMPROVEMENT PROJECT MOU BETWEEN VRE, DRPT,
AND CSXT**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute the First Amendment to the January 31, 2002 Memorandum of Understanding (MOU) with CSXT and the Commonwealth of Virginia's Department of Rail and Public Transportation (DRPT).

BACKGROUND:

The proposed amendment would allow DRPT to use two, currently unused, VRE train slots for the operation of two DRPT inter-city trains. As shown in Exhibits B and C of the MOU, one Fredericksburg round trip would operate between Richmond and Washington, with stops at some VRE stations, during morning and evening commuter hours. One Manassas round trip would operate between Lynchburg and Washington, with stops at some VRE stations, during morning and evening commuter hours. The northbound Manassas train would mirror the late morning train previously operated by VRE and suspended in 2005.

Original MOU Provisions

On January 31, 2002, VRE executed a MOU with CSXT and DRPT that memorialized VRE's commitment to building a third mainline track in the CSXT Washington to Richmond rail corridor. The MOU detailed the process for phased implementation of certain capacity generating improvements in the corridor and the corresponding

increase in VRE service following such improvements. A list of improvements and corresponding increases in available train capacity was developed and is included as Exhibit A of the MOU.

In total, nine projects were included in the MOU. Seven of these projects have been completed, including the AF and Arkendale Interlockings; Quantico Bridge; L'Enfant Third Track; Third Track between RO and Slater's Lane; Elmont Crossovers; and the consolidation of dispatch functions. The last two projects, the Third Track from AF to Franconia/Springfield and the Third Track between Fredericksburg and Hamilton (HA), are funded, under construction, and scheduled for completion by DRPT in 2009.

Under the current MOU, with the completion of these last two projects, VRE is permitted to add two round trips on the Fredericksburg Line and one round trip on the Manassas Line (in addition to the Manassas Line round trip not being used due to the suspension of service in 2005).

DRPT's Request

DRPT would like to operate a round trip inter-city train between Lynchburg, VA and Washington Union Station (WAS) and a round trip inter-city train between Richmond, VA and WAS. In accordance with language in the MOU, DRPT requested permission from VRE to use a Manassas Line round trip already authorized under the Operating Access Agreement with CSXT (previously suspended in 2005) and a Fredericksburg Line round trip permitted by the MOU when all nine MOU projects are completed. Two additional slots, one on each line, will still remain for VRE use, even before any slots are reinstated to VRE.

DRPT has been negotiating with Amtrak to provide the service. To the rider, these Commonwealth sponsored trains would look and feel like any other Amtrak train on the corridor. This is similar to the arrangement that Pennsylvania and Vermont have with Amtrak for the Keystone service and Vermonter, respectively.

Key Issues in Negotiations

VRE Issues:

- Any replacement of the mid-day train 301 must be reliable, up to VRE standards, and available for reinstatement if DRPT trains ceased operating.
- At Union Station, on-time VRE trains must be given priority over delayed DRPT trains.
- DRPT needs to provide a mechanism to replace the slots they are using for this service.
- A mechanism needs to exist for the slots to return to VRE if DRPT service is discontinued.

DRPT Issues:

- Rail capacity improvements have been made with funding provided by the Commonwealth and need to be utilized.
- DRPT will contract directly with Amtrak to operate the two trains.
- DRPT must successfully complete the final two MOU projects before service on the Fredericksburg line can be initiated.

CSXT Issues:

- VRE's non-revenue afternoon deadhead train creates operational and maintenance-of-way issues in double track areas.
- DRPT service must not conflict with currently operating passenger and freight trains.
- VRE's operating window is limited by the CSXT operating agreement.

Amtrak Issues:

- Commonwealth sponsored trains must match up with current Northeast corridor trains.
- Trains must only stop at stations currently served by Amtrak. Stopping at every VRE station is not permitted as an inter-city provider cannot act as a commuter provider under the 1970 Rail Passenger Act.

Outcome of Negotiations

As discussed at the last Operations Board meeting, there were several open issues that had to be resolved before the MOU amendment could be considered by the Operations Board.

Train #301 – The replacement of VRE Train #301 with the DRPT train was eliminated as an option. Instead, VRE would keep the mid-day train, and DRPT's southbound train would depart during the afternoon rush hour, providing VRE riders with an express train option toward the beginning of the rush hour time period. As discussed last month, DRPT's northbound train on the Fredericksburg Line would follow VRE morning service and act as a sweeper train for VRE riders.

Financial Arrangement for VRE Riders Using DRPT Trains – With the elimination of the Train #301 option, the DRPT trains function as any other Amtrak train available to VRE passengers. As such, a \$10 step-up ticket will be required in addition to a VRE multi-trip ticket. VRE would not be required to reimburse DRPT for the use of the trains by VRE riders. VRE will provide accounting and payment to Amtrak based on current

accounting procedures. At this time, it is expected that Amtrak will credit DRPT for the fare generated from the Step-Up tickets.

Maintaining Quality of VRE Service – As shown in Exhibits B and C, both the Lynchburg (Manassas Line) and Richmond (Fredericksburg Line) DRPT trains depart WAS during the peak of VRE’s afternoon rush hour. It remains critical that VRE trains leave WAS on-time, especially if the DRPT trains have been delayed coming off the Northeast corridor. As a result, when these new trains go into service, VRE would make minor adjustments to the afternoon schedule. These changes increase the spacing between the DRPT train and the VRE train that follows it to mitigate any potential delays to VRE trains. VRE passengers would not be negatively impacted by these schedule changes.

Benefit to VRE – A proposal was made to eliminate the VRE non-revenue afternoon deadhead train as it can cause on-time performance issues for CSXT, Amtrak and VRE. In order to maintain a balance in equipment after eliminating the deadhead train, VRE had an opportunity to add an early morning train on the Fredericksburg line, which VRE knows from past surveys is a great desire of our passengers. In addition, CSXT will have less interference for afternoon maintenance-of-way projects.

In order to provide the additional equipment and crews for the morning train, VRE operating costs would increase \$628,000 per year. In addition, there would be a one time hiring and training cost of \$200,000. It is anticipated that the additional VRE service combined with the accessibility to the DRPT trains will result in a system wide ridership increase. VRE expects to attract the 200 additional riders needed to offset these operating costs within the first year of operation.

Future VRE Service Expansion - Due to current operational funding constraints, VRE cannot currently take advantage of either the Manassas Line or Fredericksburg Line train slots and has no near-term plans for additional VRE train service on either line. By providing DRPT with the VRE slots, the Commonwealth is able to demonstrate to the public its value in additional train service and improved on-time performance. Additionally, the MOU allows for VRE to get the slots back should DRPT cease to operate the service.

DRPT agreed to provide VRE funding from the Commonwealth on a priority basis for future railroad improvements in the Washington to Fredericksburg corridor. Those improvements would result in VRE earning a replacement round trip slot on the Fredericksburg Line and a replacement round trip slot on the Manassas Line. The priority and timing of these future projects are subject to the availability of funds, the allocation of such funds by the Commonwealth Transportation Board (CTB), and an executed agreement acceptable to all parties.

The draft Statewide Rail Plan includes projects between Fredericksburg and Washington, D.C., Alexandria and Manassas, and advancement of the Gainesville-Haymarket extension. DRPT has committed to move forward as expeditiously as

possible to advance projects to generate additional train slot capacity with a goal of project completion in the next 3 to 5 years. DRPT cannot add any additional service until the payback of VRE slots has been completed.

Advantages and Disadvantages to the First Amendment to the MOU

Advantages	Disadvantages
1. Eliminates non-revenue VRE train in the afternoon which can cause on-time problems for VRE, Amtrak and CSXT freight trains.	1. Introduces additional trains in VRE commute windows, increasing the possibility of congestion related delays. However, CSXT and Amtrak concluded that the proposed schedules minimize potential interference between trains.
2. DRPT trains could attract new riders to VRE and raise total VRE ridership.	2. Requires a one-time \$200K charge to increase the number of Amtrak train crews by 3 individuals and an annual cost of \$628K.
3. DRPT trains operate during VRE commute windows and provide increased options to VRE passengers.	3. The \$10 Step-Up ticket required by all VRE riders using the DRPT trains could limit use by VRE riders.
4. Introduces more inter-city train service to Virginia – promotes rail travel.	4. DRPT trains not controlled or tracked by VRE preventing ability to provide delay information to VRE riders.
5. Afternoon express service is provided to Manassas Line riders.	
6. VRE is permitted to add an early AM train on the Fredericksburg Line increasing overall seating capacity.	

FISCAL IMPACT:

By adopting the amendment, VRE can expect a one-time \$200,000 training cost and an annual operating cost of \$628,000. It is anticipated that the additional VRE and DRPT train service will attract the 200 additional riders needed to offset these operating costs within the first year of operation.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: FEBRUARY 20, 2009
RE: AUTHORIZATION TO AMEND THE WASHINGTON-RICHMOND
CORRIDOR IMPROVEMENT PROJECT MOU BETWEEN VRE, DRPT,
AND CSXT

RESOLUTION
9F-02-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, on January 31, 2002, VRE executed an MOU with CSXT and DRPT that memorialized VRE's commitment to building a third mainline track in the CSXT Washington to Richmond rail corridor, detailing the process for phased implementation of certain capacity generating improvements to the rail corridor and the corresponding increase in VRE rail service following such improvements; and,

WHEREAS, a list of improvements and corresponding increases in available train capacity for VRE was developed; and,

WHEREAS, since that time, VRE has been unable to use its assigned trains slots due to operational funding constraints; and,

WHEREAS, in accordance with the MOU, DRPT has requested permission from VRE to utilize two of VRE's round trip slots for inter-city service; and,

WHEREAS, DRPT agreed to provide VRE funding by the Commonwealth on a priority basis for future railroad improvements in the Washington to Fredericksburg corridor, which would result in VRE earning a replacement round trip slot on the Fredericksburg Line and a replacement round trip slot on the Manassas Line, contingent upon appropriation of funds by the Commonwealth Transportation Board and an executed agreement acceptable to all parties; and,

WHEREAS, DRPT has committed to move forward as expeditiously as possible to advance projects to generate additional train slot capacity with a goal of project completion within the next 3 to 5 years; and,

WHEREAS, a First Amendment to the MOU has been proposed setting forth the terms under which the two VRE round trip slots would be substituted with inter-city service.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the VRE Chief Executive Officer to execute the First Amendment to the January 31, 2002, Memorandum of Understanding (MOU) with CSXT and the Commonwealth of Virginia's Department of Rail and Public Transportation regarding substitution of two round trip VRE trains to permit DRPT to institute two Amtrak operated inter-city trains.

DRPT revisions 1.5.09 to CSXT Revisions 12-19-08 VRE edits 1-12-09 revised 1-14-09
ncaCSX Revisions 1.23.09 VRE revisions 2-11-09 DRPT revisions 2-12-09 CSX 2-13-09
DRPT 2-13-09 VRE edits 2-13-09 CSXT edits 2-19-09

**FIRST AMENDMENT TO
MEMORANDUM OF UNDERSTANDING
BY AND AMONG CSX TRANSPORTATION, INC., THE NORTHERN VIRGINIA
TRANSPORTATION COMMISSION AND THE POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION, AND THE COMMONWEALTH OF VIRGINIA'S
DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
PERTAINING TO CORRIDOR IMPROVEMENT PROJECT**

This First Amendment ("First Amendment") to the Memorandum of Understanding dated January 31, 2002, ("MOU"), by and between CSX Transportation, Inc., ("CSXT"), the Potomac and Rappahannock Transportation Commission, and the Northern Virginia Transportation Commission, who together are the owners and operators of the Virginia Railway Express (jointly and severally for purposes of this First Amendment, the "VRE"¹), and the Commonwealth of Virginia's Department of Rail and Public Transportation ("DRPT") is entered into the _____ day of _____, 2009.

W I T N E S S E T H:

WHEREAS, in the MOU, the VRE reaffirmed its commitment, first set forth in its 1995 Operating Access Agreement with CSXT, for the completion of track, signal and other improvements implementing a third mainline throughout the CSXT corridor between MP 53.2 (Olive) and MP 112.3*² (CP Virginia Interlocking) (the "Corridor"), with the assistance of DRPT, by completing a set of capital improvements identified as the Corridor Improvement Project for the purpose of enhancing freight and passenger rail service in the Corridor; and

WHEREAS, DRPT was a party to the MOU because of its interest in promoting VRE commuter rail service as well as the augmentation of inter-city passenger service, particularly between Richmond, Virginia and Washington, D.C. pursuant to a separate operating and access agreement on mutually acceptable terms between CSXT and DRPT (the "DRPT Agreement") and, as a result, DRPT has an interest in completing capital improvement projects beyond the aforesaid Corridor; and

WHEREAS, the MOU set forth the Corridor Task Force process whereby the parties,

¹ The Commissions are referred to in this First Amendment as the VRE although this was not done in the MOU. This is not intended to have, nor should it have, any legal significance. The terms "Commissions" and "VRE" refer to the same two entities who are parties to the MOU and this First Amendment, and the terms mean the same thing.

² * Former MP 136.7 has been changed to MP 112.3

with the participation of others, would complete the Corridor Improvement Project, as well as projects within the CSXT right of way from MP 53.2 to Richmond, Virginia to accommodate DRPT Contracted Inter-City Service, in phases by selecting, obtaining funding for, and constructing groups of one or more specific capital improvements, in return for which one or more specific enhancements to railroad operations in the Corridor would be obtained; and

WHEREAS, Addendum A attached to the MOU set forth more specifics concerning the implementation of capital improvements and resulting passenger rail service enhancements, and identified in Exhibits A and B to Addendum A the Group 1 Interim Improvements and passenger rail service enhancements resulting therefrom, which capital improvements are hereby modified by this First Amendment and which service enhancements include a round trip VRE train (“the VRE Fredericksburg Train”) that, by agreement between DRPT and VRE and subject to the approval of CSXT in its sole discretion, can be substituted for a DRPT contracted inter-city service train; and

WHEREAS, in accordance with Addendum A Section 6(d), DRPT and the VRE have agreed upon the terms and conditions under which the VRE Fredericksburg Train may be substituted for a DRPT contracted inter-city service train, subject to approval of a final schedule for the DRPT contracted inter-city service train and subject to CSXT’s approval, which terms and conditions, and approval by CSXT, are hereafter set forth in this First Amendment; and

WHEREAS, beyond the passenger rail service enhancements provided for by the MOU, the VRE operated under its Operating Access Agreement with CSXT a mid-day train beginning in 1999 which operated on the rights-of-way of Norfolk Southern as well as that of and CSXT (the “VRE Manassas Train”) and which VRE Manassas Train was discontinued by the VRE in 2005; and

WHEREAS, subject to approval of a final schedule for the DRPT contracted inter-city service train, DRPT and the VRE have agreed upon the terms and conditions under which the VRE Manassas Train may be substituted for a DRPT contracted inter-city service train, subject to CSXT’s approval, under the terms and conditions, and approval by CSXT, which are set forth in this First Amendment;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereafter set forth, the VRE, DRPT, and CSXT agree as follows:

1. Exhibits A and B attached to Addendum A of the MOU are hereby replaced in their entirety with the revised Exhibit A attached hereto.
2. Section 6(d) of Addendum A of the MOU is deleted and the following language is inserted in place thereof:

(d) Substitution of DRPT Contracted Inter-City Service.

- i. DRPT may request, by delivery of notice to the VRE and CSXT, that the regular round trip VRE train trip between Fredericksburg, Virginia and

Washington, D.C. described in Exhibit A be replaced by a DRPT Contracted Inter-City Service train originating at a location in Richmond Virginia mutually acceptable to DRPT and CSXT, then running through the VRE service area between Fredericksburg, Virginia and Washington, D.C., making agreed upon station stops at some VRE served stations in accordance with a schedule agreed upon by the parties. The service will be initiated upon completion of Phase IV of the Group 1 Interim Improvements described in Exhibit A and the execution of the DRPT Agreement governing the service. Any additional substitutions of VRE round trip trains with DRPT Contracted Inter-City Service trains shall be subject to CSXT's approval in its sole discretion.

The foregoing is expressly contingent upon and subject to the following terms and conditions:

1. Institution of the round trip VRE Fredericksburg Train referred to in section 6(d)(i) of Addendum A of this First Amendment is substituted under this First Amendment so that DRPT may institute a DRPT Contracted Inter-City Service train in accordance with section 6(d)(i).
2. Prior to institution of the DRPT Contracted Intercity Service, DRPT and CSXT shall enter into the DRPT Agreement.
3. The DRPT Contracted Inter-City Service train shall operate in accordance with the preliminary schedule set forth in Exhibit B to Addendum A of the MOU. Addendum A is hereby amended to include Exhibit B. Exhibit B shall be finalized by written agreement of the parties and attached to Addendum A. The approval of this First Amendment is contingent upon approval of such final schedule. Any further modifications to Exhibit B must be approved in writing signed by the parties.
4. The DRPT Contracted Inter-City Service train will be operated by Amtrak upon terms and conditions acceptable to Amtrak and CSXT including the application of the standard Amtrak liability and insurance provisions. The DRPT Agreement shall govern the terms and conditions of any Amtrak Operations and compensation to CSXT provided for under this First Amendment. DRPT will not enter into any agreement with Amtrak for the services provided for under this First Amendment that conflicts with this First Amendment or the DRPT Agreement. It is understood and agreed that during the time the DRPT Contracted Inter-City train is operated between Fredericksburg, Virginia and CP Virginia Interlocking stopping at agreed upon VRE served stations, and notwithstanding any provision of the Operating and Access Agreement between the

VRE and CSXT, it shall not be entitled to nor accorded the priority over VRE trains otherwise given to Amtrak operated trains, and no precedent will have been set by CSXT permitting Amtrak to make commuter stops at the agreed upon VRE stations.

5. The VRE and DRPT agree that, by separate agreement between them, VRE passengers bearing duly validated VRE tickets and evidence of payment of any applicable step-up fare shall be permitted to board and ride the DRPT Contracted Inter-City Service train. The VRE agrees to pay DRPT or its designee on a monthly basis the amount of the step-up fare for each VRE passenger trip taken on a DRPT Contracted Inter-City Service train in accordance with the revenue collection and distribution process agreed to by Amtrak and VRE for VRE trains operated by Amtrak or such other process as may be agreed upon by the VRE and DRPT.
6. DRPT agrees that, subject to funding of improvements necessary to institute the DRPT Contracted Inter-City Service provided for by this First Amendment and unless otherwise agreed, it will give priority in its recommendations for appropriation and allocation of new funding and subsequent approvals for capital improvements to CSXT's right-of-way between Staples Mill Station in Richmond, Virginia and CP Virginia Interlocking to projects that, through the Corridor Task Force process, will increase the train capacity for additional trains and permit the operation by VRE of the round trip commuter rail service train in the Corridor replaced by this First Amendment.
7. Through the Task Force process described in the MOU or otherwise, the very next passenger rail service enhancement permitting the operation of a round trip passenger train that results from a capital improvement or set of capital improvements in the CSXT right-of-way between Staples Mill Station in Richmond, Virginia and CP Virginia Interlocking which were sponsored and or funded in whole or in part by DRPT shall be an enhancement that permits the VRE to operate a round trip commuter rail service train in the Corridor whether the VRE elects to operate the train at that time or a later time. The foregoing shall not, however, supersede the requirements of any federal funding.
8. Until such time as the VRE obtains the contractual right to operate the aforesaid round trip train in the Corridor,

irrespective of whether the VRE actually operates the train, DRPT shall neither fund nor otherwise operate, directly or by contract with Amtrak or another service provider, any passenger rail service in the Corridor other than the one round trip DRPT Contracted Inter-City Service train being substituted for the VRE Fredericksburg Train under this First Amendment, and the one round trip train hereafter provided for operating on the rights-of-way of the Norfolk Southern and CSXT.

9. In the event that the DRPT Contracted Inter-City Service train is discontinued temporarily or permanently, the VRE, upon written notice to DRPT and CSXT, shall be permitted to commence operation of a regular round trip VRE commuter rail service train in the Corridor in the place of the DRPT Contracted Inter-City Service during the Rush Hour Periods set forth in the Operating Access Agreement between the VRE and CSXT in accordance with a schedule agreed upon by the VRE and CSXT. In the event that DRPT chooses to recommence operation of the DRPT Contracted Inter-City Service at any time then the DRPT Agreement shall govern the terms and conditions under which such service may be recommenced including the provision of not less than sixty (60) days written notice by DRPT to the VRE and CSXT of DRPT's intent to recommence the service.
10. In the event that funding of new capital improvements are provided for increased commuter rail service between Fredericksburg, Virginia and Washington, D.C., which replaces the capacity utilized by DRPT, DRPT will retain a contractual right under the DRPT Agreement for trains to operate a round trip train between Richmond, Virginia and Washington Terminal in Washington, D.C. in accordance with a schedule agreed upon by DRPT and CSXT, regardless of continuation of DRPT Contracted Inter-City Service.
11. The Corridor Task Force shall continue to provide the guidance and terms for capital improvements and passenger rail service enhancements as provided in the MOU.

ii. In addition to the foregoing, the VRE agrees that, in substitution for the VRE Manassas Train, DRPT may operate a DRPT Contracted Inter-City Service train on the portion of the CSXT Corridor between the AF Interlocking and CP Virginia Interlocking in Washington, D.C. subject to the following terms and conditions:

1. Prior to institution of the DRPT Contracted Intercity Service,

DRPT and CSXT shall enter into the DRPT Agreement.

2. The aforesaid DRPT Contracted Inter-City Service train shall operate in accordance with the preliminary schedule set forth in Exhibit C to Addendum A of the MOU. Addendum A is hereby amended to include Exhibit C. Exhibit C shall be finalized by written agreement of the parties and attached to Addendum A. The approval of this First Amendment is contingent upon approval of such final schedule. Any further modifications to Exhibit C must be approved in writing signed by the parties.

3. The DRPT Contracted Inter-City Service train will be operated by Amtrak upon terms and conditions acceptable to Amtrak and CSXT including the application of the standard Amtrak liability and insurance provisions. The DRPT Agreement shall govern the terms and conditions of any Amtrak Operations and compensation to CSXT provided for under this First Amendment. DRPT will not enter into any agreement with Amtrak for the services provided for under this First Amendment that conflicts with this First Amendment or the DRPT Agreement. It is understood and agreed that during the time the train is operated between AF Interlocking and CP Virginia Interlocking, and notwithstanding any provision of the Operating and Access Agreement between the VRE and CSXT, the train shall not be entitled to nor accorded the priority over VRE trains otherwise given to Amtrak operated trains, and no precedent will have been set by CSXT permitting Amtrak to make commuter stops at the agreed upon VRE stations.

4. The VRE and DRPT agree that, by separate agreement between them, VRE passengers bearing duly validated VRE tickets and evidence of payment of any applicable step-up fare shall be permitted to board and ride the DRPT Contracted Inter-City Service train. The VRE agrees to pay DRPT or its designee on a monthly basis the amount of the step-up fare for each VRE passenger trip taken on a DRPT Contracted Inter-City Service train in accordance with the revenue collection and distribution process agreed to by Amtrak and the VRE for VRE trains operated by Amtrak or such other process as may be agreed upon by the VRE and DRPT.

5. DRPT agrees that, in addition to the capital improvements referred to in paragraph 2.(d).i.7, subject to funding of improvements necessary to institute the DRPT Contracted Inter-City Service provided for by this First Amendment, and unless otherwise agreed, it will give priority in its recommendations for appropriation and allocation of new funding and subsequent approvals for capital improvements to CSXT's right-of-way between Staples Mill Station

in Richmond, Virginia and CP Virginia Interlocking to projects that, through the Corridor Task Force process, will increase the train capacity for additional trains and permit the operation by VRE of the round trip commuter rail service train in the portion of the Corridor between AF Interlocking and CP Virginia Interlocking.

6. Through the Task Force process described in the MOU or otherwise, the very next passenger rail service enhancements permitting the operation of round trip passenger trains that result from a capital improvement or set of capital improvements in the CSXT right-of-way between Staples Mill Station in Richmond, Virginia and CP Virginia Interlocking which were sponsored and or funded in whole or in part by DRPT shall be enhancements that permit the VRE to operate a round trip commuter rail service train in the Corridor as provided in paragraph 2.d.i.7 and a round trip commuter rail service train in the portion of the Corridor between AF Interlocking and CP Virginia Interlocking whether the VRE elects to operate either of the trains at that time or a later time. The foregoing shall not, however, supersede the requirements of any federal funding.

7. Until such time as the VRE obtains the contractual right to operate the aforesaid round trip trains in the Corridor, irrespective of whether the VRE actually operates either of the trains, DRPT shall neither fund nor otherwise operate, directly or by contract with Amtrak or another service provider, any passenger rail service in the Corridor other than the two round trip DRPT Contracted Inter-City Service trains that are the subject of this First Amendment.

8. In the event that the DRPT Contracted Inter-City Service train operating between the AF Interlocking and CP Virginia Interlocking is discontinued temporarily or permanently, the VRE, upon written notice to DRPT and CSXT, shall be permitted to commence operation of a regular round trip VRE commuter rail service train on the Norfolk Southern right-of-way and the portion of the CSXT right-of-way between the AF Interlocking and CP Virginia Interlocking in the place of the DRPT Contracted Inter-City Service Train during the existing DRPT Contracted Intercity Service timeslot unless a new schedule is agreed upon by the VRE and CSXT. In the event that DRPT chooses to recommence operation of the DRPT Contracted Inter-City Service at any time then the DRPT Agreement shall govern the terms and conditions under which such service may be recommenced including the provision of not less than sixty (60) days written notice by DRPT to the VRE and CSXT of DRPT's intent to recommence the service.

9. The Corridor Task Force shall continue to provide the guidance and terms for capital improvements and passenger rail service enhancements as provided in the MOU.

3. Section 7 of Addendum A of the MOU providing for the parties' respective designated recipients of notice is amended to identify the following recipients of notice for each party:

If to CSXT: CSX Transportation, Inc.
500 Water Street J-315
Jacksonville, Florida 32202
Attention: VP Passenger Services

If to the Department: Virginia Department of Rail and Public
Transportation
1313 East Main Street, Suite 300
P.O. Box 590
Richmond, Virginia 23218-0590
Attention: Director

If to the Commissions: Virginia Railway Express
1500 King Street, Suite 202
Alexandria, Virginia 22314
Attention: Chief Executive Officer

4. All other provisions of the Memorandum of Understanding not inconsistent with the foregoing amendments shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have entered into this First Amendment to the Memorandum of Understanding as of the date aforesaid.

NORTHERN VIRGINIA
TRANSPORTATION COMMISSION
and
POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

Dale Zehner
Chief Executive Officer, VRE

Attest: _____

CSXT, INC.

Name: _____

Title: _____

Attest: _____

DEPARTMENT OF RAIL AND PUBLIC
TRANSPORTATION

Charles M. Badger
Acting Director

Attest: _____

Exhibit A

Group 1 Interim Improvements And Service Enhancement Schedule

PHASE	PROJECTS	TRAINS ADDED
I	<ul style="list-style-type: none"> ▪ AF Interlocking 	<ul style="list-style-type: none"> ▪ 1 Experimental Special Mid-Day VRE Train – Monday – Thursday ▪ 1 Regular Mid-Day Friday Only
II	<ul style="list-style-type: none"> ▪ L'Enfant 3rd Main ▪ Arkendale Crossovers 	<ul style="list-style-type: none"> ▪ 1 Regular Mid-Day VRE Train – Monday – Friday
III	<ul style="list-style-type: none"> ▪ AF to Franconia 3rd Main ▪ Consolidation of Dispatch Functions 	<ul style="list-style-type: none"> ▪ 1 Round Trip Fredericksburg VRE Train
IV	<ul style="list-style-type: none"> ▪ Slater's Lane to RO 3rd Main ▪ Fredericksburg to HA 3rd Main ▪ Elmont Crossovers ▪ Completion of Quantico Bridge Project 	<ul style="list-style-type: none"> ▪ 1 Round Trip Manassas VRE Train ▪ 1 Round Trip Fredericksburg VRE Train

Exhibit B

Fredericksburg Line/Richmond Schedule

Station Code	Monday -- Friday Train 174	Saturday— Sunday Train 164	Monday – Friday Train 125	Saturday Train 199	Sunday Train 157
WAS	Ar ~9:28 am	Ar ~9:00 am	Dp 3:55 pm	Dp 7:00 pm	Dp 4:00 pm
LEF	TBD	-	TBD	-	-
ALX	TBD	-	TBD	TBD	TBD
WDB	TBD	TBD	TBD	TBD	TBD
QAN	TBD	TBD	TBD	TBD	TBD
FBG	Dp 8:00 am	TBD	Dp 5:17pm	TBD	TBD
ASD	TBD	TBD	TBD	TBD	TBD
RVR	Dp 7:00 am	Dp 6:35 am	Ar ~6:23 pm	Ar ~9:25 pm	Ar ~6:25 pm

Exhibit C

Manassas Line/Lynchburg Schedule

Station Code	Monday – Friday Train 176	Saturday-Sunday Train 156	Monday – Friday Train 171	Saturday Train 147	Sunday Train 145
WAS	Ar 11:20 am	Ar 1:35 pm	Dp 4:50 pm	Dp 4:00 pm	Dp 4:50 pm
LEF	11:14 am	-	4:56pm	-	-
ALX	11:05 am	1:19 pm	5:11 pm	4:17 pm	5:07 pm
BCV	10:40am	TBD	5:37pm	TBD	TBD
MSS	10:25a	12:46 pm	Dp 5:52 pm	TBD	5:39 pm
CLP	9:46 am	12:07 pm	TBD	TBD	6:15 pm
CVS	8:54 am	11:15 am	TBD	TBD	7:13 pm
LYH	Dp 7:43 am	Dp 10:04 am	Ar 8:32 pm	Ar 7:35 pm	Ar 8:25 am